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APPLICATION

8100-66469

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-4275

Re: Yegua Zone, Reservoir B
North Choupique Field
Calcasieu Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **PETROQUEST ENERGY, L.L.C.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in **the Yegua Zone, Reservoir B, North Choupique Field**, Calcasieu Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated Y RB SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate a unit well for the proposed unit, if appropriate;
4. To designate PetroQuest Energy, L.L.C as the unit operator for the proposed unit;

5. To provide that any future wells drilled to the Yegua Zone, Reservoir B, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the Yegua Zone, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Yegua Zone in the North Choupique Field, Calcasieu Parish, Louisiana was fully defined in Office of Conservation Order No. 921-D, effective May 9, 2006.

A conference to discuss the proposed application and any opposition thereto was held at 2:00 p.m. on the 16th day of January, 2007, at The Onebane Firm, 1200 Camellia Blvd., Suite 300, Lafayette, Louisiana, (337) 237-2660. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. David Comeaux, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefore, and answered questions. A counterplan was presented by Mr. Travis Helms, representing Lawton Company. Mr. Bryan S. Groves, representing Hurlbut Farms also presented a counterplan. No resolution of the differences was reached, and the conference was adjourned.

Thereafter, discussions continued between the parties in an attempt to resolve their differences. However, no resolution between the parties was reached. Thus, opposition to the application is expected at the hearing.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting David Comeaux with Leon E. Comeaux & Associates, P.O. Box 53922, Lafayette, LA 70505, (337)233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list

of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/elg/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

